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LB 277

It simply depends upon what the split is between the wage earners, ranging from zero to 50/50. I'll mention one other fact that I think has been...or one other item that has been at least touched on by Senator Wickersham. And currently, at the federal level, there is a proposal, which is making progress, that it would eliminate the...or reduce at least, the marriage penalty in the federal income tax code. That would have an impact on Nebraska, as I think Senator Wickersham mentioned. One of the proposals or one of the parts of that proposal would be to double the standard deduction to twice the...the standard deduction for married couples to twice that of singles. Currently, we adopt, at the state level, those standard deductions. So if that gets doubled at the federal level, then it's doubled at the state level. Now as he mentioned, it is possible, I suppose, that we could offer an amendment that...so that Nebraska would not use the federal standard deduction, but rather would use it's own standard deduction. But again, that's an additional complication. If you didn't do that though, the cost is, as I can gather from a Revenue Department estimate, would be about an additional \$18 to \$20 million reduction in the revenue base of Nebraska. So again, I think horizontal equity, if that's what you want to call it, in the tax structure, is a reasonable goal. I'm not convinced that this is the best way. I think this way is too expensive, and perhaps this may not be the right time to do it. So I will not support the bill. Thank you.

SENATOR CUDABACK: Thank you, Senator Raikes. Senator Wehrbein followed by Senator Tyson, on the advancement of LB 277.

SENATOR WEHRBEIN: Mr. President, members of the body, obviously I've been listening to the discussion, and I know and lots of interest in how this can impact the budget. I can't tell you exactly how this can impact the budget to the degree that we're not quite through, and we have...probably going to have to make some more difficult decisions next week, and perhaps even cutting back where we're at, depending on the revenue sources and so forth. I'm going to support this, at least one time. Be that as it may, Senator Raikes may have some points if there's a more favorable way to have the Revenue Committee look at this, or make it fair, that's not my issue. My issue is really going